reached ^14,000,000. The drain of gold set in strongly in September, the price of gold in bank-notes rose to *£4.* 2^. per ounce (about five shillings above parity, which was ^3 *ijs.* loJ^dT.X an^ ^ie Directors of the bank were compelled to sharply restrict their discounts. They gave notice on December 31, 1795, that if the applications for discounts on any day exceeded the sum to be advanced, *a.pro rata* proportion of each applicant's bills should be returned, 'c without regard to the respectability of the party sending in the bills or the solidity of the bills themselves." [1] Matters went from bad to worse until February n, 1796, when tlie court of directors adopted the resolution :

That it is the opinion of the Court, founded upon its experience of the effects of the late Imperial loan, that if any further loan or advance of money to the Bmperor, or other foreign state, should in tlie present state of affairs, take place, it will in all probability prove fatal to the Bank of England.

The Court of Directors do therefore most earnestly deprecate the adoption of any such measure, and they solemnly protest against any responsibility for the calamitous consequences that may follow thereupon.

Mr. Pitt replied that after the repeated promises he had made he saw no occasion for the resolutions and should regard them as having been adopted in a moment of needless alarm. This did not prevent him from continuing secret remittances to the Continent, but suspension of specie payments was staved off until the next year by the restriction of accommodation to merchants and the favorable crops of 1796. The advances upon Treasury bills amounted on June 14, 1796, to ^"1,232,649 and Mr. Pitt demanded ^800,000 more in July and a like sum in August. The bank refused the second demand but granted a request by Mr. Pitt in November for , £2,750,000, on condition that the advances on Treasury bills should be paid out of this loan. "Mr. Pitt," in the terse language of Professor MacLeod, "took the money but never paid off the bills.J> [2]

[1] Gilbart, I., 45.

[2] *Theory and Practice of Banking*^ I., 524.